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Moving Beyond Ethnic Conflict: Community Peace Building In Bosnia And Eastern Slavonia (Croatia)

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The views expressed in this paper are those of the author and not of USAID.

"When I look back on the process of history, I see this written over every page: that the nations are renewed from the bottom, not from the top."

—Woodrow Wilson
(*The New Freedom*, 1914)

There has been much controversy about the role of ethnicity during modern conflict, but relatively little analysis about its impact on peace building. This paper looks at how communities are responding to the challenge in two regions of the former Yugoslavia—Bosnia and Eastern Slavonia—that have both suffered from vicious ethnic conflict.

To some, the notion of “community peace building” might seem contradictory. The war in Bosnia was fought out in communities: indeed, few features were so shocking, or incomprehensible, as the way neighbor turned on neighbor. It is hardly surprising that the task of rebuilding is thought to begin at the national, rather than local level.

There are good reasons for rethinking this, particularly in Bosnia. Almost two years have passed since the historic peace agreement on Bosnia was signed in Dayton, Ohio. In spite of many positive developments, even the staunchest supporters of Dayton would concede that much remains to be done. NATO troops have even resorted to seizing television transmitters in the Serb Republic in an effort to stop nationalist propaganda.

Some feel that it is futile to force Bosnia’s different ethnic groups to live together, and that the best way to peace lies through partition. Others argue that partition has never worked historically, and that it would be a sure recipe for further ethnic cleansing in Bosnia. For them the only solution is to persevere. More than anything, this involves holding together the two “entities” that were created at Dayton (the Serb republic and the Bosnia-Croat Federation).

This paper explores a third possibility—that the real future for peace in Bosnia lies in the communities. It is based on three propositions:

The “ethnic challenge” lies in preserving what remains of Bosnia’s pluralistic society.

A community-based approach can draw on a civil society that reflects pluralism.

By addressing local needs, aid programs can cut across ethnic divisions.

This “bottom up” approach poses obvious problems for international agencies. Many are centralized and bureaucratic, whereas working in communities involves decentralization and flexibility. Many are ill equipped to deal with local politicians,

particularly nationalists. There is always the risk of village programs dissolving into myriad individual projects that perpetuate the fragmentation of Bosnia and are hard to justify on grounds of expense.¹

In spite of this, many agencies are also trying to adapt. The World Bank has made a major commitment to microcredit. The UN Development Program has funded integrated community projects in central Bosnia. The UN's refugee agency (UNHCR) has launched income-generation projects for refugee women. USAID's Office of Transitional Initiatives (OTI) has given small grants to community initiatives that would otherwise not have received funds. The UN's Office in Vienna has funded volunteers in Pacrac (Croatia) and Gornji Vakuf.

This newfound interest in community peace building is not made easier by a peace formula that has divided Bosnia and increased the power of nationalist politicians through elections. The existence of an "inter-entity boundary line" (IEBL) cuts across pre-war trading links and deprives small businessmen of their markets and even their raw materials.

In some respects, donors have also made their own task harder by ignoring Bosnian civil society. They often insist on using expatriates, even when Bosnians could clearly do the job. This, more than anything else, accounts for the high cost of many local projects. Second, donors have encouraged the creation of Bosnian nongovernmental organizations in the image of the western NGO, and treated "independence" from government as an end in itself. This has angered the politicians. NGOs are subject to crippling taxes in both entities, and the Federation parliament is considering a law that would greatly reduce their freedom of action.

The next few months are likely to see increased interest in community peace-building in Bosnia. This paper takes a very preliminary look at how it could be given better support. Its findings should be seen as the basis for discussion, rather than firm recommendations. They are based on a visit to the region in July by a team from USAID's Center for Development Information and Evaluation (CDIE). The team conducted more than a hundred interviews, but these were chosen to illustrate different approaches rather than to provide a comprehensive picture. Security considerations prevented the team from conducting extensive research in the Serb Republic. Nor was there sufficient time to follow up interesting possibilities, like the role of mixed marriages. The report was drafted by Iain Guest, who recently completed a senior fellowship at the US Institute of Peace.

Defining the Challenge

Until it was recognized by the United Nations on April 5, 1992, the territory

¹ According to one estimate, the cost of managing projects under \$35,000 can amount to 33 percent of the project costs.

covered by Bosnia last knew independence in 1463, when it was invaded by the Ottoman Turks. It was then absorbed into a series of political arrangements. The last of these was the Federal Republic of Yugoslavia, set up after World War II.

Yugoslavia was a careful balance of territorial republics and ethnic nationalities held together by Tito and the Communist party. This system began to unravel in the 1980s under the pressure of growing economic differences between the republics; the retreat of communism; the rise of nationalism in Serbia and a corresponding fear of Serbian hegemony in other republics, notably Croatia. Bosnia was particularly vulnerable because 41 percent of the population were Muslim, 37 percent Serb, and 17 percent Croat. Nationalist Croats and Serbs looked outward towards Croatia and Serbia, rather than uniting to prepare Bosnia for independence.

Bosnian Serbs began preparing for war in late 1991, and in early 1992 they linked up with the Serbian army to attack non-Serbs in a broad arc of northern Bosnia. A second front opened in the war in the spring of 1993, when Croats and Muslims began fighting in Central Bosnia. The international community responded to the crisis with humanitarian aid until early 1994, when the United States brokered a cease fire between Croats and Muslims. This led to the creation of the Muslim-Croat Federation. In 1995, the Croatian army recaptured most of the territory seized by Croatian Serbs in 1991, and advanced into Bosnia with the Bosnian army. This, combined with NATO bombing, forced the Bosnian Serbs to the negotiating table at Dayton.

Pluralism survives. Ethnicity in Bosnia before the war has been widely debated and frequently misunderstood. What matters most for purposes of this paper is that fact that no single ethnic nationality was in a majority. This helped to produce an integrated pluralistic society. Much of it disappeared during the war, yet significant elements still survive in the region between Tuzla and Zenica which was relatively untouched by the war. Even in areas that lost large numbers of refugees to flight there are still ethnic minorities struggling to retain their cultural identity, and culturally distinct groups like the Roma. Finally, there are the ethnically mixed families that were such a notable feature of pre-war Yugoslavia. They suffered terribly during the war and they are also vulnerable to discrimination during peace. But having a foot in both camps also gives these families an obvious interest in inter-ethnic cooperation. It is surely no coincidence that so many community initiatives reviewed by this mission were led or supported by persons of mixed ethnic background.

All this suggests that the real “ethnic challenge” in Bosnia is vastly more complex than holding together the two entities created at Dayton. The prospects for success will also depend on the region. While there is very little tolerance for pluralism in Western Hercegovina and Eastern Bosnia, the prospects are better in Banja Luka and in the Croat-held municipalities of Central Bosnia which are more dependent on Sarajevo than Zagreb.

There are also real possibilities in towns like Gornji Vakuf, which were split down the middle by fighting and are struggling to reintegrate. **Ultimately, however, “interethnic” is not geographical so much as an attitude that is grounded in respect for differences—be it ethnicity, gender, or culture.** This is not to be confused with “reconciliation.” Reconciliation is also a state of mind, but based on our limited survey we would conclude that the wounds are still too raw. Any attempt by outsiders to promote reconciliation for its own sake will likely be met with anger and suspicion.

The community approach. From 1945 through 1990, political ideology came from the top in Bosnia, much as in any other communist society. But life revolved around the communities. Indeed, elaborate attempts were made to respect ethnic proportionality down to the level of the community council. This, in turn, was able to draw on a loose network of informal associations that linked professional and other interest groups. In a pluralistic society, these naturally cut across ethnic lines.

The war had a paradoxical effect on community life in Bosnia. On the one hand it was obviously shattering. On the other hand, it *reinforced* the sense of community in pockets of central Bosnia, where people were isolated and besieged. The war also produced a second generation of civil associations. Some, like the Roma of Tuzla and mixed marriages association of Zenica formed because they were denied humanitarian aid.² Others, like the Medica counselling center for women in Zenica, addressed the needs of war victims. Many community radio stations sprung up to serve isolated communities. A third generation of civil associations has emerged since the Dayton agreement.

The upshot is a rich, varied, and vibrant civil society comprising almost 500 local associations.³ Most relevant to pluralism are the advocacy groups. We interviewed businessmen from both sides of the inter-entity line who are campaigning for restored trading links; relatives of missing Croatians and Bosnians who are pressing politicians for information and better social benefits; cruelly disabled war victims who have shrugged off their injuries to demand access for their wheelchairs; Roma who have joined together to resist eviction from their communal village; Serbs in Croatia and Bosnia who are fighting off discrimination and harassment.

All are driven to act as well as organize. In the process they have engaged in the political process without joining a political party or provoking politicians—an important distinction. In the course of their struggle, the Roma of Tuzla mobilized their entire

² Humanitarian aid is still distributed through four Bosnian organizations, each of which has an ethnic or religious constituency. Representatives of the Roma and mixed marriages said that their members had failed to qualify.

³ PHARE, a Bosnian organization funded by the European Union to draw up a registry of Bosnian civic associations, distributed 371 questionnaires during the first phase and received 176 replies. It has identified 480 separate organizations.

membership to register for municipal elections and even appealed to Roma in Europe to get out the vote among Bosnian refugees. Hundreds of refugee families from Busavaca have also formed, and registered to vote, as part of their effort to return home. We would not want to exaggerate their achievements or underestimate their vulnerability, but this activity has laid a strong foundation for civic action at the grass roots as Bosnian attempts to rebuild.

These campaigns are also characterized by strong leadership and weak organization, although the implications of this are sometimes missed by outsiders. The kind of “leadership” required for advocacy emerges naturally and probably cannot be taught at conflict-resolution training. But it is prone to burnout, which can be disastrous if there are no successors waiting in the wings. As a result, the most resilient initiatives are likely to be those that have a democratic structure while drawing on the inspired example of individuals.

We found no automatic link between budget and effectiveness. Many of the most efficient campaigns run off a shoestring budget and have no salaried officers. Tired of long hours without pay, some organizers are increasing membership fees, which is one quick way to lose members. There is no obvious way out of this dilemma, but it is clear that the wrong kind of *outside intervention* can tip the balance disastrously. A one-off grant that is given without investigation and withdrawn without explanation can force an organization into spending all its time on fund raising at the expense of campaigning. This is more likely to happen when an organization is set up for its own sake rather than emerging naturally from an issue. Often it has more to do with the donors’ own bureaucratic requirements than local needs.

Many donors also judge the success of an organization by its ability to survive without foreign funding. While this is important, there is no automatic correlation between effectiveness and “sustainability.” Indeed, it can be positively harmful if organizations are extended beyond their useful life. **Given the piecemeal nature of community projects, replicability may be more important for the growth of civil society than sustainability.**

The link between civil society and ethnic integration. Many of these initiatives not only *define* civil society in Bosnia; they *are* the fabric of an integrated, multiethnic society. This is perhaps best understood with professional associations that cut across ethnic divisions. Most Americans would also understand the contribution that minorities make to pluralism, and the need to support the Serbs of Croatia and Bosnia. But the link is less obvious when it comes to “women’s issues.” Women are extraordinarily active in peace building in Bosnia and Croatia, but often this has more to do with discrimination than gender. In the Bosnian city of Zenica, where the government is fiercely Muslim, Croat and Serb women have been dismissed from work, and their children have been penalized for not attending Islamic religious education. Two of the mothers formed the

Multinational Association for mixed marriages. But this is about discrimination, not marriage.

It is easy to miss the fact that such groups provide the glue for pluralism. Instead, visitors are likely to be frustrated by the unwillingness to seize business opportunities or the seemingly aimless course of meetings. This illustrates some of the dilemmas that face donors in deciding who to support and how. What if a group *fails* as a business but *succeeds* as an interethnic community initiative? What, moreover, if this was not intended by the donor? Will they prove sufficiently flexible to bend the rules and change course? The answer could determine whether a campaign or organization sinks or swims. This makes it doubly important for donors to understand the challenge, as well as respond appropriately.

Problems in the International Approach

To a large extent, the international aid effort in Bosnia is driven by the need to hold the country together. This in turn influences the donors' view of "inter-ethnic cooperation," which is seen largely in terms of inter-entity cooperation. It has resulted in a range of different approaches, some of which are not helping pluralism or community peace-building.

Undermining Small Business. Before the war, Bosnia's economy cut across today's ethnic divisions, and this leads many to assume that economic self interest can trigger inter-ethnic cooperation. One manifestation is to be found in Northeast Bosnia where a large market ("Arizona") has been established by NATO to attract traders from both entities. Judging from numbers, Arizona has been a dramatic success. But the market is completely unregulated and businessmen on both sides complained that it encourages the dumping of foreign goods, thus undercutting their own efforts to increase productivity and revive pre-war markets. There is, moreover, no evidence that Arizona is producing long-term reconciliation. One trader who was interviewed by the *New York Times* at Arizona observed: "I am quite ready to sell brandy to Serbs in the morning and shoot them in the afternoon."⁴

Inter-entity youth programs. It is widely assumed that bringing young people together from different ethnic backgrounds can nurture reconciliation and even influence the older generation. We certainly saw this in Gornji Vakuf, where Croat and Muslim teenagers and their parents regularly mingle at a youth center on what used to be the front line. For three years, the Osijek peace center has also been arranging holidays for young Croats from Osijek and Serbs from Vukovar, which have helped to open up travel between these two sensitive cities. But in general, donor-initiated youth programs are expensive and hard to justify if their stated goal is ethnic reconciliation.

⁴ "At Last, a Unifying Force in Bosnia: Making Money," by Chris Hedges, *NYT* October 17, 1996.

The director of one Mostar center, set up by the European Union at a cost of 750,000 Dmarks, agreed that the results have been disappointing: of the 400 youngsters attending classes during the current cycle, she said, only 56 were from the Croat side of Mostar. The overt emphasis on ethnicity may also carry a personal cost. One young Serb from Vukovar who attended a conference in Holland in 1994 with several young Croatians from Osijek was reduced to tears on a live television show when a Dutch journalist pressed her to explain Serbian war crimes. It was, she said, a sobering example of the way that the outsider's "obsession" with ethnicity can deepen one's sense of ethnic isolation.

Building an Independent Media. All agree that the media can contribute to civil society, and at first sight the media in Bosnia are healthy and competitive. According to one estimate, there were 145 print publications, 92 radio stations, 29 television stations, and 6 news agencies in Bosnia as of mid-1996.⁵ Many of the most notable initiatives have been nurtured by donors and are openly geared to bridging the ethnic divide. They include the Open Broadcast Network (TVIN), which makes programs for five prominent Bosnian television stations; the Free Elections Radio Network (FERN) which was set up with Swiss funds and runs out of the OSCE headquarters in Sarajevo; and *Ogledalo* ("Mirror"), a paper printed in Cyrillic for its Serb readers and in Latin for readers in the Federation and distributed free inside leading newspapers on both sides of the IEBL.

In addition to their inter-entity reach, these initiatives have several notable features. First, they expect the media to play a responsible social role in promoting interethnic harmony. This was demonstrated by NATO's recent seizure of television transmitters in northeast Bosnia. There have been many other less dramatic examples. The OSCE and Radio FERN proscribe ethnically loaded phrases and FERN even refuses to play local music in case hateful messages slip in through the lyrics. Second, there is the expense: TVIN cost \$10.3 million to establish; FERN 2 million Dmarks. *Ogledalo* pays 300 Dmarks for a single feature. Third, it is hard to see them as anything other than short term, particularly as the major international player on the media (the OSCE) is set to withdraw from Bosnia shortly.

This burst of energy should be seen as a short-term *communications strategy* that uses the media to get across the message of peace building, not a *strategy for the long-term development of a democratic media*. Indeed, some of the donor activities are probably inconsistent with such a long-term goal. Any "message" is propaganda even if it preaches ethnic integration, and any message imposed by armed NATO troops in the name of free expression clearly involves a huge paradox. Our interviews also suggest excessive dependency on foreign material and funding risks undermining the credibility of a media

⁵ "Monitoring the Media," by Mark Wheeler (Institute for War and Peace Reporting/Media Plan, Sarajevo. 1996).

that is still criticized for its role in the immediate pre-war years.⁶ A deeper concern is whether it is sapping local capacity. The editor of Mostar Radio recalled how the EU administration in Mostar had hired his best English-speaking journalists for the EU's information office. That, he said, "did us more damage than the entire siege."

Capacity Building and Training. Many donors and nongovernmental organizations view "capacity building" as helping Bosnian organizations design projects and apply for grants. This is obviously important for agencies that rely on nongovernmental partners, like the UN refugee agency. But it also carries risks.

First, it encourages the idea that civil society consists of donor-initiated organizations and projects. Second, it renders these organizations vulnerable to a sudden loss of funding caused by a policy shift in the donor capital. Third, it encourages donors to employ their own nationals even where this is inappropriate. In one example, Handicap International has deployed a team of French expatriates in Bihac to train Bosnian deminers, treat mine victims, and teach mine awareness to local children. This formula has been used to great effect by HI elsewhere in the world, but it seems less appropriate in Bihac where there have been almost no mine accidents for months. Moreover, the Bosnians organized an efficient civil defense during the war and have a good deal more experience in mines than their French trainers. When we visited, HI was trying to keep its large team occupied in providing physical therapy for paraplegics and even funding a milk factory, neither of which have anything to do with mines. Yet the project was receiving 300,000 ECUs from the EU over a six-month period. At a time when the EU was suspending aid to the beleaguered Serb human rights team in Vukovar even the local EU administrator agreed that this was hard to justify.

Nongovernmental organizations. By employing expatriates and advocating the independence of nongovernmental organizations as an end in itself, donors are provoking the local authorities and undermining their chances of nurturing Bosnian civil society. This has had several unfortunate consequences. NGOs in Bosnia are charged 65 percent on the salary of each Bosnian employee to cover social benefits and income tax. This burden is so onerous that very few NGOs even pay it, but there is a growing likelihood that it might be enforced. The second pressure comes from a proposed law that would restrict NGOs to humanitarian work and give responsibility for their registration to the government instead of law courts. This would prevent NGOs from contributing more broadly to civil society and place them firmly under government control.

Expatriate NGOs have responded to these threats with some profound soul-searching. One influential paper warned that they were too preoccupied with providing services and recommended the creation of a \$50-million foundation to support Bosnian

⁶ By March 1992, the Bosnian Serbs had seized 5 of the 11 television transmitters that broadcast government programs to Northwest Bosnia. Television was openly used to propagate ethnic hatred during the war.

civil society.⁷ American NGOs support the idea and reportedly agreed to fund a small secretariat to develop a proposal. But several prominent Bosnians expressed concern that this would create another institution under expatriate management—which to them is part of the problem. Indeed, they spoke of being treated like “second class citizens.” NGOs can ill afford such disagreements at a time of growing pressure and declining funds. But the sense of competition appears to have extended to funders. The World Bank and European Union are both supporting separate civil society initiatives that barely communicate with each other. All this diverts from the real challenges: finding a *modus vivendi* with government and developing a legal framework for *all* nongovernmental activity, not just the registration of organizations.

The Way Forward—Pluralism through Community Development

There is an important distinction to be made between funding projects whose *principal aim* is to promote democracy and interethnic cooperation, and supporting community development projects in the hope that they may *indirectly* produce the same results. **Our research suggests the latter is much more likely to succeed—but only if the projects succeed as development.** The issue facing donors is thus how to intervene effectively at the community level. We found an extraordinary amount of energy, but also mistakes being made. Some are caused by forcing the ethnic link; some by a failure to make the transition from emergency assistance to development; and some by a simple failure to capitalize on opportunities.

Microcredit. Microcredit is one of the fastest-growing donor activities in Bosnia. After an experimental stage in which the World Bank helped administer \$600,000 from the Dutch government, it has launched an ambitious program of microcredit in the Serb Republic and Federation. By July 1997, the Bank had given 662 loans worth 1.85 million Dmarks. The Bank’s plans call for as many as 10,000 loans to be given out over the next two years.⁸ There has also been considerable interest from bilateral donors. The United States has provided \$5 million for income-generating schemes through the Bosnia Women’s Initiative. This money is being channelled through the office of the UNHCR to several large nongovernmental organizations. The Swedish and Dutch governments are also providing loans.

Up to now, these microloans have had almost no interethnic impact. This is because most were made to individuals, or individual family enterprises, which meant they did not reach beyond familial patterns of employment. Many were also intended to help socially vulnerable groups, particularly refugee women. But as microlending has evolved, so have the possibilities. Like many organizations, the Tuzla-based Bosnia Support Group

⁷ “Service Delivery or Civil Society?” by Ian Smillie, CARE Canada December 1996.

⁸ Bosnia and Herzegovina Local Initiatives Project, pilot phase evaluation, World Bank, Sarajevo, May 1997.

(BOSPO) has shifted from individual to group (solidarity) loans in an effort to improve the rate of repayment. One of BOSPO's newest groups comprises a Croat beautician, two Muslims from Tuzla and two refugees from Srebrenica. In Zenica, Radmila Saric, a Bosnian Serb who produces mushrooms, turned to World Vision for a loan after a consignment of compost was lost during transport from Croatia. World Vision put her in contact with a Croat and Muslim in Bosnia who also grow mushrooms, and she now sells her surplus to the Muslim.

But the potential to expand such interethnic ties is unlikely to be realized until microcredit becomes more economically viable. According to the World Bank, 597 loans produced only 1,128 jobs during the pilot phase and only generated an average income of 100 Dmarks a month. Almost a fifth of BOSPO's initial borrowers defaulted.⁹ By tripling the size of loans to 1,500 Dmarks, and lending to solidarity groups instead of individuals, BOSPO has raised its repayment rate to 100 percent. **But microlending is unlikely to fulfil its economic potential until it is delinked from refugee and social programs and integrated into a broad economic strategy at the community level.**

Small Business. Businesses are seen in economic, not social, terms by the donors. Unlike family enterprises, they also nurture the kind forward and backward linkages that in turn encourage interethnic ties. One group that received funds from the Travnik Business Center comprises three Muslims, three Croats, and a Serb who are interdependent: some produce eggs, some chicks, and some cartons and boxes. Another beneficiary, a Croat chicken farmer, plans to buy chicken feed from Hercegovina for other farmers in Travnik. As a Croat, he can more easily travel to Croat-controlled Hercegovina.

Another successful initiative started in Gornji Vakuf in 1994, when Croat and Muslim began meeting at a cafe on the front line. This has developed into a handicrafts cooperative with 140 members (32 Croats, 108 Bosniacs) and two directors from both ethnic communities. But the real success of the project is economic rather than ethnic. Most of the women are the main providers for their family and this has given them a strong incentive to expand business, diversify products, and seek contacts abroad. The cooperative has won a contract to supply a Norwegian firm with 100 sweaters. The firm sends an official every month to advise on design and style, and ensure quality control. This Norwegian connection shows how foreign support for Bosnian civil society can move from "psychosocial" programs to helping business. **It is particularly important to exploit foreign markets for Bosnian handicrafts, because the market inside Bosnia has passed saturation point.**

Housing At The Community Level. The link between pluralism and the repair of houses has long been clear. Almost a third of all the houses in Bosnia were damaged or destroyed, and this acts as an obvious barrier to the repatriation of refugees. But it also

⁹ Ibid., page 16.

raises a difficult question: should housing repairs be *used* as leverage to encourage the return of refugees, particularly those from minority areas? In early 1996, USAID concluded that it could not, and that any such linkage would hamper badly-needed reconstruction efforts. Instead USAID funded an emergency program under OFDA that repaired 2,500 housing units in majority areas.

Working in Gornji Vakuf, a team of international volunteers has tried to repair houses while at the same time promoting interethnic ties. Backed by funds from the UN Development Program and the UN Office of Vienna, the volunteers drew up a list of 28 damaged homes on both sides, with help from municipal leaders and two respected teachers. The homeowners were then given six weeks of technical training in building skills, and provided with coupons for building materials. Volunteers and homeowners then formed work teams to rebuild the houses.

There is wide agreement that as a *political intervention* this was a success, because it showed how two sides of a split community can work together. It could also pass muster as a *short-term economic intervention*, given that each house cost \$6,500, compared with the \$10,000 spent by OFDA. But the *long-term economic impact* has been less impressive: only three of the 28 homeowners went on to find jobs. The volunteers told us that six weeks of technical training was obviously not enough to teach professional skills and blamed their donors for not providing sustained funding. But this is only part of the picture. Even with skills, the homeowners might have found it hard to find work in a town where jobs are scarce and there is little disposable income.

The real question for donors is not how they can use housing to better promote interethnic cooperation, but how can they can *repair more houses*. This is particularly important because donor funding is slowing at precisely the time that houses cost more to repair and are increasingly inaccessible. The situation is further complicated by the fact that the U.S. Congress has forbidden USAID to fund housing.¹⁰ Yet donors are not helping by ignoring opportunities. One presented itself on May 23, 1997, when Croat and Muslim refugees from Busavaca forced the city authorities to declare an “open city” and receive back all refugees. This depends squarely on the repair of almost 600 damaged houses in Busavaca. As of August, agencies had only set aside funding for 20 and work had not started.

Busavaca is a strong argument for rethinking the entire approach to housing in the months ahead. **Donors must work together to follow up opportunities and concentrate limited funds in towns where they can do most good. Homeowners should be given incentives to repair their own houses, and even work in interethnic teams. Finally, new sources of local, private funding—including microcredit—must**

¹⁰ Under the 1996 Omnibus Appropriations Act, USAID has been forbidden to make funds available for “new housing reconstruction or repair or reconstruction of existing housing in Bosnia and Hercegovina.”

be found for housing.

Economic Organizations. Organizations are starting to emerge that are multiethnic at the board, management, and loan officer level. Even if their actual loans are “ethnically blind,” this ensures that the ethnic implications will be well understood. In Eastern Slavonia, Opportunities International uses Serbian and Croat loan officers and the Board’s members include a Serb, Croat, and Muslim.¹¹ The director is a Hungarian Jew.

The Association of Independent Businessmen of Bosnia also shows how organizations can help promote integration. The Bosnia-wide association had 3,500 members when the war broke out in 1992. In November 1996, OTI arranged for the first post-war inter-entity meeting between some of its more prominent members. A series of joint meetings then led to the establishment of a Bosnia-wide coordination council comprising five businessmen from the Serb Republic, and five from the Federation. OTI funds helped open offices in Brcko and Tuzla, pay for one full-time secretary, and provide an e-mail link between the Serb and Federation associations. This helps overcome the lack of telephone communications between the two entities. **But it is also important that these inter-entity contacts not be expected to substitute for a full-blooded economic policy aimed at breaking down the barriers to cross-entity trade, which remain formidable and deep-rooted.**

Infrastructural Aid. Infrastructural repairs are likely to involve some degree of interethnic cooperation precisely because electricity lines, water pipes, and roads knew no ethnic boundaries before the war. The right kind of international intervention—in the form of a repaired bridge or railway—can even open up an entire region to trade. After long negotiations with the town council of Samac, in the Serb Republic, USAID has won permission to repair a bridge that links Samac with its former suburb Prud, now in the Federation.

USAID has committed \$182 million for municipal infrastructure. Of this, \$5 million has been set aside for projects up to \$50,000.¹² But donors face the same dilemma over infrastructural aid at the local level that they face over housing: do they use aid to promote interethnic ties to restore pre-war ethnic ties, or do they concentrate on the economic benefits and assume that the ethnic results will follow? In one successful example of conditionality, Samac received funds from USAID to upgrade the town’s electricity generation on the understanding that the electricity would be shared with Prud. But interethnic linkage is also exceptionally vulnerable to individuals of bad faith. (In

¹¹ Opportunities International is a US-based private voluntary organization with 54 partner organizations in 60 cities worldwide. Its Croatian partner *Stedno Kreditna Zadruga* (NOA) has completed 73 loans, at an average value of 13,000 Dmarks. 17 are in the UNTAES region of Eastern Slavonia.

¹² This credit is provided under the Community Infrastructure Rehabilitation Project (CIRP) of USAID’s Municipal Infrastructure and Services program.

Tuzla, one intransigent Croat was able to hold up a European project to bring clean water to 100,000 people, mainly Muslims, for a whole year.)

This illustrates the dilemma over conditionality. If a donor's conditions are not met, the project does not go ahead. Money is unspent (which can be politically difficult) and people in need go without essential services. At the same time, no one wants to play into the hands of the nationalists and subsidize separate services, which often seems to be the only viable alternative.

Is there any way around this dilemma? Some donors try to approach it indirectly. *UMCOR* recently invited department heads from Bosnia's three railway systems (which are all separate) to discuss technological advances that have occurred in Europe's railway system since the war in Bosnia. As professionals, the officials were intrigued and stimulated, but can do little on their own without a political breakthrough.

USAID's experience in Samac suggests that the prospects will depend on the utility, and that the chances are better with electricity than water. The Serb town council agreed to share its electricity with Prud because the entire western part of the Serb republic depends on electricity generated in the Federation. Any resistance by Samac might have produced serious retaliation against the Serbs. Water, by contrast, is produced at the local level, which makes it highly vulnerable to nationalist politicians who put separation before economic development. **In general, conditionality would be more successful if donors were to coordinate sanctions, instead of going it alone and undercutting each other. But the international community should also shift the emphasis from punishment (sanctions) to rewarding individual communities that respect the principles of Dayton and pluralism. This would make better use of resources and lessen the chance of donors blocking their own aid programs.**

The Media. The media is clearly an important source of support for civil society and pluralism. But how can donors get out the short-term message of ethnic harmony, which is so vital to the current emergency, without stifling the long-term development of a democratic media? In fact, they have already started.

Instead of avoiding ethnic issues altogether, editors are beginning to cover issues that have an *indirect* bearing on ethnicity, like the increasingly nationalistic content of education curriculum. After *Ogledalo* ran a detailed article, OTI funded a project to research religious education in Tuzla and Bjeljina. As well as clarifying a critical issue for Bosnia's future, this project has brought together researchers from civil society groups on either side of the IEHL.

Donors are also looking for a less intrusive way of curbing propagandistic transmissions than seizing transmitters by force. Whatever solution is chosen, it should involve Bosnians as soon as possible. This could include support for local media

monitoring. Bosnian editors know that credibility is enhanced by monitoring and that credibility attracts advertisers. As a result, more and more are turning to Media Plan, a Bosnian group that was established before the September 1996 elections. *Ogledalo* plans to ask Media Plan to survey its readership. The editor of Radio Mostar also told us that Radio Mostar reacted strongly (and positively) to being criticized by Media Plan of bias toward the Muslim SDA party. Radio FERN, whose impact has also been questioned, might also benefit from Media Plan's scrutiny.

Donors can reduce the dependency of Bosnian media on outside funding by commissioning locally-made programs and purchasing advertising time. OTI allowed itself to be charged at an above-the-market rate for election spots on radio, which showed imagination, and TVIN commissions programs from its members. But reducing dependency on foreign material should not mean cutting ties with foreign contacts. Several Bosnian radio stations exchange material with independent stations elsewhere in the Balkans, like Radio B 92 in Serbia.

As with other elements of civil society, media training should address real needs. It would be presumptuous for outsiders to train Bosnian journalists who cut their teeth covering the war. On the other hand, Bosnians have little experience with commercial journalism, or the many other demands made on journalists in this electronic age. The only journalism training currently on offer is a 10-week course for younger journalists that is taught by BBC staff at a school supported by the Open Society Institute. Donors could explore other possibilities: courses in free market economics; management practices that create firewalls between money-raising and news reporting; ethics; polling techniques; circulation; and advertising. If the goals are clear, there can be no better training than exposure to foreign newsrooms. But once again, without clear goals these short stays are likely to produce little.

Donors face a dilemma when it comes to community-based media. On the one hand, many local radio and TV stations won enormous local credibility by their courageous reporting in the war. On the other hand, local media outlets are also vulnerable to local political pressure. There are no clear answers to this, except to point out that the risk will be less in multiethnic towns like Tuzla than hard-line nationalist towns like Livno. It is certainly no reason for the international community to ignore local initiatives. One thing is certain. **Community media will continue to be hurt as long as its journalists are enticed away for donor initiatives at inflated salaries.** Once again it comes down to hard choices. Which, it might be asked, does more for Bosnia's media—hiring a local journalist for FERN at an inflated salary, or subsidizing his continuing employment by commissioning radio programs from the local station?

The Outlines of an Integrated Strategy of Support.

If there is one main conclusion to emerge from this preliminary paper it is the

following: the way to promote pluralism at the community level in Bosnia is not through imposed, donor-driven projects but rather through community development. But for this to succeed in ethnic terms, it must first succeed as development. This underscores the importance of turning the lessons learned into an integrated strategy while there is still a significant international presence in Bosnia. Donors could consider the following elements:

Intervention at the national level. The international community can best help community peace building by intervening at the national level, where the most serious obstacles exist. Much more needs to be done to ensure free trade between the two entities (which is supposed to exist under Dayton, but is blocked by nationalist politicians in the Serb republic). There will certainly be no reconciliation between the nationalities of Bosnia until refugees return, homes are rebuilt, disappearances are explained, and war criminals are brought to justice.

Legal structures. Bosnia needs a legal and policy framework to help small businesses and nongovernmental organizations. It would make most sense to establish two different NGO categories—one profit, the other non-profit—and make the latter tax-exempt. But this should be part of a wider legal framework that governs all nongovernmental work in all the areas examined in this report. Most important, donors must explain to Bosnians how independent nongovernmental organizations benefit Bosnia.

A strategy for minorities. The challenge of pluralism is about protecting and preserving minorities. This will call for increased human rights monitoring even as the OSCE and UNTAES prepare to step back from Bosnia and Croatia. There are important institutions in place that could help. One example: the multiethnic team of human rights ombudsmen in the Federation, which is ideally placed to reach out to minorities. Helping minorities may also involve some tough choices, including the use of intermediaries that support ethnic separatism. The Serb Democratic Forum in Croatia is one example. Many donors, including USAID, find the SDF's style too aggressive and partisan, particularly when accompanied by thinly disguised charges against Croats. But the SDF has credibility with the Serbs. Given their growing predicament in Eastern Croatia, supporting the SDF may be a necessary evil.

Communications. Information technology can contribute to civil society. This is well understood by USAID's Office of Transitional Initiatives (OTI), which has helped the Serbs of Zenica improve their collection of human rights data by providing a computer and linked up businessmen on either side of the IEHL by e-mail. But in general, donors have yet to exploit the full potential of the Internet. The Internet links the two Bosnian entities, which cannot communicate directly. It also links Bosnian civil society with friends abroad. The countries of the former Yugoslavia are linked on the Internet by a loose network, Zamirnet. But Zamirnet is short of funding. Donors should establish a community-based network throughout Bosnia as a matter of urgency, if the Internet's contribution toward peace building is to be realized.

Institutional changes. The ideas contained in this report will require multilateral and bilateral donors to make significant institutional changes. It is not clear whether this is yet understood. Major donors are competing where they should be cooperating, and the institutional roles need adjusting: for example, it is inappropriate that the UN refugee agency (UNHCR) is the largest funder of housing, and coordinator of so much microlending. Governments are also keen to declare the emergency over for institutional reasons, even if this may not correspond to the facts. Serbs of Vukovar could face discrimination when the town reverts to Croatian rule at the end of this year. At this sensitive moment, the European Union has suspended its help for Serb human rights monitors in Vukovar—not because it was unimportant, but because the aid was channelled through an emergency fund that is being discontinued. USAID was also criticized for abruptly ending “psychosocial” programs still needed by refugees, rape victims, and other war victims.

Indicators. Our research has underlined the importance of clear indicators in evaluating this new and difficult area of community peace- building. Indicators would: help define vague notions like “democracy building” and “capacity building;” measure the impact of inter-entity seminars, youth exchanges, and media projects; and help donors explain and defend programs to skeptical politicians of constituents.

But the risk is that in applying indicators, donors will make demands on overburdened community initiatives that undermine their impact and weaken the goal of building pluralism. This is greater when it comes to “interethnic” projects, which may fail in terms of their stated goals but produce important unintended results.

Donors need to strike a better balance between flexibility and rigor. Once again, they could help their own cause with greater consistency. At present, they tend to be much stricter towards vulnerable community initiatives—particularly women's groups—than huge, multimillion dollar initiatives like TVIN. While there is growing consensus on *organizational indicators* (management, funding, etc.) there is more confusion when it comes to *programs*, particularly those that deal with social issues, like the aftermath of rape. At the very least this calls for more research, and NGOs can clearly contribute. NGOs have led efforts to design indicators for social and economic rights that could be useful in peace building.

Foreign Links Abroad. Another theme running through this report is that Bosnian civil society should maintain and expand links with foreign friends—and that this need not imply a relationship of dependency. In fact, the benefits often cut both ways. Medica, the renowned women's organization in Zenica, was founded by a German gynecologist who now runs a Medica support group in Germany that raises funds for the Bosnian organization and also serves as a valuable educating tool for German women. This report has also underlined the need to identify markets for Bosnian handicrafts outside the region. Overall, international NGOs could probably do as much to help

Bosnian civil society at home as in Bosnia itself.

Dealing with local politicians. Perhaps the toughest challenge facing international agencies is how to work with local politicians while remaining true to their own goals. Local politicians can make or break promising initiatives. They are also liable to quick dismissal if they break ranks with their political party or make concessions to another ethnic group. Some feel that this illustrates the futility of trying to promote change from the bottom up. Others see it as an argument for avoiding politicians altogether. But this does not follow. The kind of obstacles described here are a product of a peace plan that has enhanced the power of nationalists. It is not an argument for bypassing government. If anything, donors need to do more to provide local government with more resources and capacity. Many civic associations have managed to work with local politicians. We were also told repeatedly that even “hard-line” politicians can be coopted as parents, teachers, or businessmen, and given an excuse *not* to act as politicians. Conversely, politicians often have no option but to object if donors arrive with their own political agenda in the form of a “multiethnic” project.